One evening early in 1970—as best I can remember: Friends and I stopped by the make-shift graduate-student rathskeller in the basement of an apartment building on Charles Street in Baltimore, just opposite the main gate of the Johns Hopkins University. The place reeked of beer and cigarettes, and we sat at one end of a large table, listening to Tim (I can’t recall his last name) describe his latest political pilgrimage to New York. Students for a Democratic Society (SDS) at Hopkins, which counted Tim among its participants, had gone dormant over winter break, never to be revived. During the same month, Tim, son of a wealthy Floridian, had gone Trotskyist and joined a sect called the Workers’ League.

Tim’s story was the oft-told tale of the late 1960s: grand transformations overnight. He dropped out of school, one semester before getting his B.A. He took to wearing a white shirt and bow tie in order to look respectable for preaching to the working class. A female cadre with long straight hair moved into his apartment, and together they constituted the League’s Baltimore cell.

Tim spent days passing out leaflets at an auto plant in a nearby town. He acquired a new debating style which included listening intently, then raising an index finger in a nonthreatening manner, and saying, “I want to take you up sharply on that point.” He appeared at the rathskeller once with Wally, a heavy hitter from the party’s New York office. Wally wore a white shirt and bow tie and did the same I-want-to-take-you-up-sharply bit.

On the evening in question, Tim was holding forth on the need for “us” (radicals, leftists, revolutionaries . . .) to know our facts about the American system in order to argue persuasively with “them” (the rest of America, especially the proletariat). Tim held up his copy of Baran and Sweezy’s Monopoly Capital and declared, “We need to memorize this book from cover to cover!”

Paul A. Baran and Paul M. Sweezy, two Marxist economists, began writing Monopoly Capital in the mid-1950s. After Baran died in 1964, Sweezy put the already revised manuscript into final form, and Monthly Review Press published the work in 1966. The New Left in the United States adopted Monopoly Capital almost immediately as a standard text—one of those books “everyone” read or discussed in a study group or recommended to radical friends. Outside the United States, the book enjoyed equal (and perhaps longer lasting) success. Between 1966 and 1974, Monopoly Capital was translated into sixteen languages.

As I considered how to reconsider Monopoly Capital, several “rules of the game” appealed to me: first I’d recollect whatever I could from my 1970 reading (not much it turns out); then I would reread the book cold—that is, without any background material or commentary; and finally I’d use whatever might help to understand why Monopoly Capital suited the New Left so well. I haven’t set out to evaluate the book’s economic theory in relation to orthodox Marxism or contemporary left economics; those analyses already exist, and I’m not qualified to add to the debate. The economics of Monopoly Capital interests me now only in that it “spoke” to American New Leftists a generation ago. Of course, the book spoke about much else as well.
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The goal sounds grand; it was also unique. No one else—the authors claim in the introductory chapter—had attempted this feat. They tear into “bourgeois social science” for its proclivity to know more and more about less and less; it failed to look at society as a whole. Baran and Sweezy applaud Marxian social science for its focus on the social order as a whole, but the Marxists, too, disappoint: “Marxists have too often been content to repeat familiar formulations, as though nothing really new had happened since the days of Marx and Engels—or of Lenin at the latest.”

The authors explain the “stagnation of Marxian social science” quite simply: “the Marxian analysis of capitalism still rests in the final analysis on the assumption of a competitive economy.” Here we have ground zero for the Baran-Sweezy weltanschauung: everything takes off from monopolization. The core economic argument of the book runs like this:

Huge corporations—rather than small firms each producing a negligible fraction of a homogeneous output—now dominate the U.S. economy. Because the giants collude in setting prices and output levels, monopoly (or its functional equivalent, oligopoly) has transformed the laws of motion of American capitalist development. The corporations maximize profits so successfully that “surplus” (what a society produces minus the costs of producing it) tends to rise relative to total production. The system—monopoly capitalism—must therefore constantly confront its central dilemma: how to absorb excess surplus.

The drive to absorb surplus ends up warping both economy and society because the system cannot digest surplus in rational ways. The authors describe at length how business expediency, class interests, and ideology shut off various options. For example, bosses squeeze wages more than is necessary in order to keep labor in line and preserve class distinctions; the ruling elites limit civilian government spending because it would compete with one or another private-sector interest and because high-quality public services (such as education) would break the ruling class’s monopoly on privilege and success.

With so many outlets closed off, surplus streams into two available channels: the sales effort (advertising, superficial product differentiation, packaging, unnecessary model changes) and military spending. The authors label advertising “the chief architect of the famous ‘American Way of Life.’” As for military spending, the authors argue that the United States needs it to police a neocolonial empire and to contain and combat the rival world socialist system. “And the truth is that policing the empire and fighting socialism are rapidly becoming, if they are not already, one and the same.” Happily for the oligarchy, military spending sops up surplus while promoting the “correct” interests at home and abroad. Baran and Sweezy warn, however, that technological advances may make the military a less effective sponge over time.

So in this version of monopoly’s story, the system not only tilts toward economic stagnation and crisis, it directs its productive energies to ever more irrational ends. The authors believe anyone willing to look at the facts in the United States will see that idle men and idle machines coexist with deprivation at home and starvation abroad, that poverty grows in step with affluence, that enormous amounts of resources are wasted in frivolous and often harmful ways, that the United States has become the symbol and defender of reaction all over the world, that we are engaged in several wars and clearly headed toward more and bigger ones...
absorption of surplus and a chapter on the history of monopoly capitalism, we find three final chapters called, respectively, "Monopoly Capitalism and Race Relations," "On the Quality of Monopoly Capitalist Society," and "The Irrational System." The final arguments run like this:

Racism plays the handy role it has always played under capitalism—dividing the working class and keeping one group so downtrodden that other exploited groups can feel superior. Yet the barbarous contradiction between potential abundance for all Americans and oppression for blacks cannot be hidden as it previously was. At the same time, the consciousness of blacks is being transformed "[as] Africans—and Asians and Latin Americans—carry their revolutions forward from national independence to socialist egalitarianism. . . ."

The authors argue that the elites know "the very existence of their system is at stake"; they hope to derail growing black protest by implementing legal civil rights ("a narrow bourgeois concept") and opening doors for a small number of the black bourgeoisie ("tokenism"). To no avail. "The Negro masses cannot hope for integration into American society as it is now constituted. But they can hope to be one of the historical agents which will overthrow it. . . ."

On the quality of monopoly capitalist society, Baran and Sweezy report that almost half of all Americans have less than an adequate income, millions live in substandard housing, suburbia sprawls with its crowded developments of shoddy tract housing, smog-producing cars choke cities and the roads leading to them, the educational system produces at best "science barbarians" and "high-IQ imbeciles." In short, monopoly capitalism "has utterly failed to provide the foundations of a society capable of promoting the healthy and happy development of its members."

The irrationality of the system, for Baran and Sweezy, infects every aspect of life in the United States: it is to blame for the sham of democracy for the propertyless, the suffocation of all positive ideology by anticomunism, alienation from work, meaningless consumption, the degeneration of leisure into stultifying amusement, the degradation of conversation into chatter, pretense instead of emotional commitment, the failure to create a new morality after the collapse of the old codes, the debasement of culture, the withering away of meaningful political activity, chronic psychic orgasmic impotence masked by increased sexual activity, bankrupt relations within the bourgeois family. Everyone exists "in a jungle in which there is no love and no trust, no purpose worth striving for and no ideal worth fighting for."

In this wretched world, the authors reason that true rationality must lie in overthrowing the irrational system. Unfortunately the Marxists' traditional agent—the industrial proletariat—has shrunk in size. Making matters worse, most white workers embrace consumerism and bourgeois ideology. Society's greatest victims—the unemployed, migrant farm workers, inhabitants of urban ghettos, the elderly poor—do not constitute a coherent opposition. Does the future promise only more psychic disorders, leading eventually to a complete system breakdown in the United States? The one countervailing force, say Baran and Sweezy, is resistance around the globe to U.S. domination.

The essay ends with the crescendo and flourish of a Marxian Marseillaise:

The highest form of resistance is revolutionary war aimed at withdrawal from the world capitalist system . . . the revolutionary peoples have achieved a series of historic victories in Vietnam, China, Korea, Cuba, and Algeria . . . There are even indications, especially in the Negro freedom movement in the South, in the uprisings of the urban ghettos, and in the academic community's mounting protest against the war in Vietnam, that significant segments of the American people are ready to join an active struggle. . . . The drama of our time is the world revolution; it can never come to an end until it has encompassed the whole world.

The newly published Monopoly Capital had some ardent fans in the "Old Left" and even more detractors. The Nation ran a rave review by James O'Connor (June 20, 1966) who called the book "unique in its attempt to come to grips with the society's malaise in a systematic way, within the confines of a theoretical framework." For O'Connor, the authors shamed mainstream growth economists who based "their theories on certain assumed behavior on the part of "ratio-
nal’ savers, investors and firms.” Baran and Sweezy qualified for the “heavyweight division” of contemporary radical social scientists, according to O’Connor; the only other contenders were C. Wright Mills and William Appleman Williams.

O’Connor had but two quarrels with the analysis. First, he believed Baran and Sweezy underestimated the capacity of military spending to continue pumping up prosperity. Second, he didn’t rule out the possibility of “thoroughgoing intercorporate planning” by elites in order to spend surplus to their advantage.

Harry Magdoff, who became Sweezy’s co- editor on the magazine Monthly Review in 1968, assessed Monopoly Capital in the journal Economic Development and Cultural Change (October 1967). Magdoff, too, called the book “unique” and a contrast to conventional analysis, which “assumes an underlying harmony in a rational society.” He cheered the chapters on the quality of life—until then “unrecognized territory for economists.” He criticized only the vagueness of the Baran-Sweezy notion of surplus.

This last point—that the crucial term “surplus” was poorly defined—became the standard (and damning) complaint of social scientists about the book. The authors hadn’t spelled out what counts as socially necessary costs of production; they hadn’t differentiated between actual surplus and potential surplus from idle productive capacity; they hadn’t adequately analyzed fiscal policy; they exaggerated obstacles to civilian government spending and underestimated the role of competition.

Meanwhile, Monopoly Capital got no applause from orthodox Marxists who couldn’t swallow deviations from the creed. What happened—they wanted to know—to Marx’s falling rate of profit, labor theory of value, and surplus value? Where was Lenin’s theory of imperialism? And who says the industrial proletariat lost its franchise on the revolution to peasants in the third world? The fundamentalists proved Baran and Sweezy right on one point: many a Marxist had been sleeping on the job for a half century.

With a quarter century’s hindsight, I’d say the most astute critiques of Monopoly Capital came from other parts of the left—for example, from Robert Heilbroner, writing in the New York Review of Books (May 25, 1966) and Henry Pachter in Dissent (May-June 1967). They disliked Monopoly Capital, and their words (especially Pachter’s) were frequently harsh. Yet much of what offended them about the book was precisely what made the work appealing—or useful—to the New Left of the late 1960s. Reading what Heilbroner and Pachter wrote thirty years ago, one finds a guide to the connections between Monopoly Capital and the New Left.

Heilbroner called Baran and Sweezy’s work “bitter and perhaps embittered” and “deeply flawed.” Yet he would “strongly urge every non-Marxian economist in America to study this book as a test of his own beliefs.” Why? Because “unlike most books we read, this one attacks prevailing beliefs at their roots.”

Having advised his colleagues to study Monopoly Capital, Heilbroner predicted the book wouldn’t persuade them for several reasons. First, the arguments were exaggerated and slipshod. “Every bit of available evidence is brought to bear against the system, but not a word is said in its defense. Nor are the charges scrutinized with anything like scholarly care.” Second, Baran and Sweezy equated socialism and the Soviet Union, and “socialism is pictured as the very paradigm of sweet reason.” Heilbroner found this outrageous after the Soviet obliteration of the Hungarian Revolution in 1956. Third, Heilbroner questioned not only the hazy definition of surplus, but also the central claim that corporate profits tend to rise.

Finally, the book “treats the oligarchy as if it were a compact body of men who acted in concert with one will and one aim.” For Heilbroner, this last distortion derived from “a fatal Marxist predilection for ‘closed systems’ of thought that can then proceed with a delicious inexorability to their assigned destinations.” Baran and Sweezy—although mavericks in Marxism—knew exactly where the world was headed: more psychic malaise at home, more liberation abroad. Heilbroner wrote that he, too, hoped to see a more rational system replace U.S. capitalism; he, too, assumed third world nations needed revolutions. Yet he was “certain that the road to the future will not run as straight to heaven or hell as the one that Baran and Sweezy describe.”
Henry Pachter came down harder in *Dissent*. Like Heilbroner, he derided the notion of a monolithic oligarchy, found the definition of surplus contradictory as well as vague, and rated the scholarship sloppy ("not on a par even with their own earlier efforts"). Pachter rejected the assumption that political action against the "oligarchy" was impossible ("This crude, simplistic view is not mitigated by any mention of trade unions, pressure groups, pluralism, or the conflict character of social systems"). But worst for Pachter was the attempt to link the economic theory to problems such as the degradation of leisure, culture, marital relations, and sexuality: "I have seen similar complaints in the literature of the ages... The connection with 'monopoly' just eludes me."

What, asked Pachter, could explain Baran and Sweezy's "deliberate economic primitivism"? His answer: "Maoist sociology."

The conception of "surplus" makes sense only if it is understood as a theoretical underpinning of the colonial rebellion against white monopolistic domination in the world. Since both authors once knew better, one can only surmise that they constructed their economic model to suit their political creed.

Baran and Sweezy's economic theory is like a skyscraper perched on a shaky foundation. If the concept of expanding surplus doesn't hold up—and it doesn't—the edifice comes tumbling down. The critique of the "social order" gets buried in the rubble. Not only did the authors slap together a flimsy sociological analysis; they failed in their goal to link the sociology to the economics. All this looks obvious in 1997, but what did it look like to the New Left in the late 1960s?

I remember hearing in the late 1960s that a high school acquaintance of mine had jumped right onto the back of a police officer during a riot at the University of Wisconsin. I can picture this. I can also picture her going to a "mass meeting" for a student strike or smoking dope with friends and talking revolution or reading *Monopoly Capital*. But I cannot imagine her reading Henry Pachter's review of the book. I doubt she knew that a magazine called *Dissent* existed.

The history of the New Left—like the history of many intense social upheavals—can be divided into "major phases" lasting mere months or perhaps a year. So several "generations" and a host of changes were crammed into the space between, say, 1962 and 1968. Only six years—but at their conclusion, practically nothing in America looked or sounded the same, including "the movement." An early New Leftist might have experienced the "beloved community" of civil rights struggles in the South, the first SDS discussions of participatory democracy, or face-to-face debates with Old Leftists who were politically known quantities. At that point, the left still had a consecutive history.

Not so by the late 1960s. The late New Left included tens of thousands who jumped into whatever was happening at the moment—protests against the war in Vietnam, campus strife, community organizing, Black Power, third world liberation, people's parks, faction fights within SDS, embryonic sects. Some immersed themselves completely, others floated in and out, some watched from the periphery but identified with what they saw. Many had no "personal political history" prior to the New Left; many didn't know, or care, that the American left had a history. Threads linking political generations snapped.

*Monopoly Capital* made the rounds at the time of this late New Left and fitted comfortably. If the book had a wobbly economic foundation, the typical New Left reader never knew it. Those readers didn't encounter the book in courses taught by radical economists who presented a critical context for Marxism and underconsumption theory. Practically no such courses or teachers existed. Indeed, at the time of his death in 1964, Paul Baran was the only avowedly Marxist, fulltime professor of economics in the United States. The slew of radical economists who started teaching in the 1970s belonged to the New Left generation; many had begun their own training outside the classroom with works by Baran and Sweezy, including *Monopoly Capital*.

To the New Leftist, *Monopoly Capital* seemed to offer the only in-depth economic inquiry that systematically exposed the sham of "The Great American Celebration" of the postwar period. It tore the veil off crass materialism, spiritual bankruptcy, phony democracy, the myth of freedom, moral hypocrisy—a mega-Peyton
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place with statistics and graphs. Unlike what one heard in school, *Monopoly Capital* explained poverty, military spending, the cold war, U.S. imperialism, the cooptation of the American working class, and the war in Vietnam. Here were Sigmund Freud, Paul Goodman, Herbert Marcuse, C. Wright Mills, Wilhelm Reich, David Riesman, plus an up-to-date American Marxism all rolled into one.

Not only did one package contain so much, the pieces inside fit together with precision. The Heilbroner and Pachter might mistrust such precision and point out faulty seams. But late New Leftists found the simplicity of the thesis compelling: monopoly produced surplus, surplus produced everything screwed-up in the world. It was an all-purpose handle on reality, a tidy model to account for a bewildering age. *Monopoly Capital* supplied a complete argument which could be assimilated and deployed in debate. No wonder the Tims of the Workers’ League urged us all to memorize it.

As proselytizing Marxists, Baran and Sweezy did aspire to create a cohesive model that moved ineluctably to its destination: world revolution to overthrow “an evil and destructive system.” Both the determinism and the destination suited the New Left, which had become increasingly Marxist by the late 1960s. *Monopoly Capital* appealed to radicals who wanted confirmation that history was on the side of revolution, and therefore the radicals were on the side of history. Baran and Sweezy’s revolution arose from the third world. This, too, satisfied a New Left that looked ever more to the third world for inspiration.

Although the authors drafted *Monopoly Capital* in the 1950s and early 1960s, their work was fueled by the same mix of acrid desperation and stern triumphalism as the late New Left. Heilbroner was quite right: the present had not one redeeming feature for Baran and Sweezy; the future would bring complete redemption. Thousands of New Leftists reasoned the same way. When asked, “What will your revolution produce?” many answered, “Whatever it is, it will be better than the present.” This Manichaean worldview was born of rage. In *Monopoly Capital*, the late New Left reader found an analysis that was adequately enraged.

Both Heilbroner and Pachter took particular offense at Baran and Sweezy’s notion of a compact American oligarchy acting as a single agent; the critics claimed the authors knew better. But for overnight converts to Marxian revolutionary theory in the New Left, the notion of a monolithic ruling class made sense. The bad guys produced evil because their position in the class struggle dictated their actions. They all stood on the same side of the barricades. Class analysis—an indispensable tool for grappling with reality—was handled crudely by inexperienced New Leftists trying to relate napalm, Richard Nixon, the Black Panther party, and the killing of students at Kent State University by the Ohio National Guard. Pachter’s countervailing forces—unions, pressure groups, political pluralism, the normally conflictual character of society—looked completely coopted or hopelessly ineffective.

I was sitting in a bus caught in rush hour traffic on Chicago’s Michigan Avenue when I saw the first newspaper photos of Soviet tanks rolling into Prague in August 1968. I remember feeling depressed, angry, horrified. A springtime of freedom replete with music and art as well as open debate and new government policies crushed under steel treads. Just eighteen months later, I read *Monopoly Capital* for the first time and—as far as I recall—didn’t bat an eyelid at Baran and Sweezy’s rahspsy of praise for the Soviet Union.

A library of interpretation already exists on the New Left, some of it examining attitudes toward the Soviet Union, China, and other murderous or dictatorial or authoritarian regimes. At this point, only hyperdefensive and terminally nostalgic New Left veterans deny that many radicals ignored or minimized the crimes of communist and third world revolutionary states. But how did it happen that yet another generation of professed lovers of liberty failed the test for moral consistency? Was it anger over Vietnam this time? Disillusionment with the heavy-handed myth of an uncorrupt United States? Search for an alternative model? Faulty assumptions such as “an enemy of the United States must be a friend” or “any regime calling itself left wing must be good”? General ignorance? Political
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...naïveté? The human animal’s historically proven capacity for self-deception and contradiction?

I’d say all of the above but argue they were combined in various proportions in different individuals at different times for the New Left. In his outstanding history *The Sixties: Years of Hope, Days of Rage*, Todd Gitlin traces the evolution of “anti-anticommunism” among early New Leftists and their break with cold war liberalism. They strike me as a sophisticated group, reasoning through a position critical of both the Soviet Union and the United States in the aftermath of McCarthyism. Even those who disagreed with their thinking could acknowledge they had done some thinking.

By the late 1960s, a larger messier New Left was (mostly) anti-American and anticapitalist, not anti-anticommunist. *Monopoly Capital* engaged its New Left readers because it fairly screamed the same antagonisms. It also offered antidotes—socialism and anti-imperialist revolution—sketched hazily enough not to provoke many questions. Baran and Sweezy claimed they couldn’t possibly analyze socialism or the communist bloc countries in depth in a short essay on the United States. So they defined socialism simply as a rational and planned system—the antithesis of capitalism. They described the Soviet Union simply as socialist and therefore rational and able to meet human needs—the antithesis of the United States. Third world nations were liberationist, struggling against both imperialism and capitalism—the adversary of U.S. world domination.

The result was a universe in which the good guys were well nigh perfect. No socialist government could conduct an aggressive foreign policy because “a socialist society contains no class or group which, like the big capitalists of the imperialist countries, stands to gain from a policy of subjugating other nations and peoples.” The Soviet Union spent proportionately more on education than the United States so that “the American child at the end of the third grade is familiar with fewer than 1,500 words, the Soviet third-grade reader... works with approximately 8,000 words.” And so on.

This celebration of a generic socialism, everywhere equal and equally dandy, satisfied New Leftists dipping into Marx, Lenin, and revolution for the first time. Radicals in the prairie mode assimilated bits of history, pieces of theory—all of it carrying much the same value for a while. *Monopoly Capital* didn’t incite partisan objections because it made no distinctions among existing communist regimes or among third world liberation movements. All the grass looked greener on the other side of the barricades.

The free floating didn’t last. The sixties ended, the New Left fell apart. One large chunk blew off in a paroxysm of sectarian passions. The no-frills antiwar protestor became a devotee of Mao or Fidel, sub-Saharan “state socialism” or Black Power, one or another neo-Leninist miniparty of the American working class or bomb-building terror. *Monopoly Capital* no longer spoke to these revolutionaries because it had no position on, say, the Albanian model or Kim II Sung’s Korea whereas the revolutionaries certainly did. Moreover, the revolutionaries didn’t need anyone else’s “literature” because they began producing their own in great volume. Finally, practically no one (aside from Communist party recruits) cared much for the Soviet Union as a paradigm.

Of course, many New Leftists bypassed the sectarian road or got off it quickly. Some turned right, but more went into teaching, social work, community organizing, trade unions, and legal services for the poor—the kind of reform efforts Baran and Sweezy deemed useless for changing the system. *Monopoly Capital* no longer served them or the young radical economists and sociologists who were soon doing more solid work of their own. A few years into the 1970s, *Monopoly Capital* had pretty much disappeared from the American scene—just like the New Left.

Only a small percentage of “best sellers” stand the test of time as texts still worth reading. *Monopoly Capital* fails on most counts. The analysis is glaringly superficial, the prose dry and repetitious, the verbal outrage exhausting. But the book does endure as an artifact—an object of human confection which, upon close examination, reveals much about the culture that used it. *Monopoly Capital* comes down to us as a piece of the New Left with its biases, values, emotions, and style still intact.